

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

STARRED QUESTION NO:510

ANSWERED ON:10.05.2007

SHARING OF LOSSES

Deshmukh Shri Subhash Sureshchandra

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government has asked public and private sector refineries to share the burden of losses being suffered by oil marketing companies in the sale of LPG and kerosene;

(b) if so, the details thereof; and

(c) the response of the public/private sector refineries thereto?

Answer

MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MURLI DEORA)

(a) to (c): A statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (c) of Lok Sabha Starred Question No.510 by Shri Subhash Sureshchandra Deshmukh to be answered on 10th May, 2007 regarding sharing of losses.

(a)&(b): Yes, Sir. Consequent upon the unprecedented, sharp and spiraling escalation of international oil prices since the end of 2003, the Government in June, 2004 elucidated the principle of equitable burden sharing amongst the stakeholders, namely, the oil companies, Government and consumers. As advised by Government, PSU Oil Marketing Companies (OMCs) negotiated with the public and private sector refineries to share the burden of under-recoveries suffered by them in marketing of Domestic LPG and PDS Kerosene by providing discounts.

(c): During the year 2005-06, public and private sector refineries had given a discount to the tune of Rs. 4393 crore to PSU OMCs.